

## Special Funds

### 2004 Adopted Budget

#### Highlights:

The City has 52 special funds totaling \$194 million. The total excludes Regional Water Services, the St. Paul Public Libraries Agency, and RiverCentre special funds, which are submitted as separate budgets. Special funds' 2004 budgets are almost the same as the 2003 adopted budget, with most changes reflecting transfer of special funds between departments. Significant changes are indicated as follows:

**City Attorney Outside Services (Fund #025):** The budget recognizes Local Law Enforcement Block Grant funding transferred from the Police Department to support a .4FTE victim witness advocate. The adopted budget also includes an additional 1.0 FTE attorney. This new position will have a neighborhood focus.

**Property Code Enforcement (Fund #040):** This budget recognizes that the City will more aggressively enforce the registration of rental properties as required by the legislative code to ensure that one- and two-family non-owner occupied rental properties do not become problem properties. The adopted budget recommends establishing a new budget for a grant received from the Family Housing Fund. This grant will be used to offset the up-front costs of administering the Tenant Remedy Actions program.

**Special Projects: General Government Accounts Fund (Fund #050):** The budget recognizes approximately \$4.6 million in transfers from special funds for central service costs. This is an increase of approximately \$1.7 million from adopted 2003. The central service fees are used as a source of revenue for the general fund.

**Internal Borrowing Fund (Fund #070):** A new \$550,000 budget is established to make internal loans, for projects approved by the City Council, to other departments for City projects. Included are District Energy asset conversion, Upper Landing inter-fund loan,

and Highland 18 Golf Course renovation.

**Community Development Block Grant (Fund #100):** The community development block grant fund remains stable at almost \$12 million. The budget will be reviewed later in 2004 and submitted to the City Council for final adoption.

**Contract and Analysis Services (Fund #124):** The City Council added \$43,613 to allow Saint Paul to serve as the lead agency for the Collaborative, a joint powers entity consisting of the City of Saint Paul, City of Minneapolis, Hennepin County and Ramsey County.

**Cable Communications (Fund #166):** The City receives a franchise fee from the cable operator, which is based on five percent of the cable company's gross revenues. The current revenue projection shows a small increase, based on rate increases, new service offerings, and a small decline in overall subscriber numbers. The City receives an annual \$50,000 capital public, educational and governmental (PEG) grant from Comcast; in the past this money has been allocated to St. Paul Neighborhood Network (SPNN), but in 2004 these funds will be used for City video equipment and I-Net needs, which is allowable under the franchise.

**Engineering (Fund #205):** This fund accounts for the design, survey, construction and administrative functions, and other expenditures for capital improvement projects. In 2004, spending is reduced for the final implementation of the computerized maintenance management system.

**Street Repair and Cleaning (Fund #225):** The fund manages and supports the right-of-way assessment function by processing public improvement assessments as well as annual operations and maintenance service charges. The second year of a two-year right-of-way assessment program is included in the adopted budget, which

includes a minor change in the rates from what was originally proposed.

**Solid Waste & Recycling (Fund #232):** Coordination of enforcement of the solid waste ordinance, oversight of contracts related to recycling services with various neighborhood groups, and working with refuse haulers and neighborhoods on refuse collection issues is the focus of this fund. The 2004 adopted budget includes a \$2 per household increase in recycling charges to cover the cost of increased services, which include weekly two-stream curbside collection of recyclables with plastic bottle recycling beginning in January, 2004.

**Public Works Admin & Support Services (Fund #255):** The City's Real Estate function was transferred from the Office of Technology to Public Works to administer assessments and other right-of-way functions.

**Sewer Service Enterprise (Fund #260):** Almost three-fourths of the spending for this fund is determined by Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. The program of long-term financing for residential upgrade of sanitary sewer connections continues for 2004. This fund includes the continuation of the repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s. Additionally, it includes increases in Storm Sewer System Charges and Sanitary Sewer Rates, providing additional revenue of \$870,258 and \$987,314 respectively, to offset increasing costs. This is the first increase in these rates since 1998.

**License and Permit Special Fund (Fund #320):** The adopted budget includes the transfer of all zoning functions from the general fund to the special fund. Additionally, it includes various license and permit fee increases in an effort to cover service costs.

**Parks and Recreation Special Services Enterprise (Fund #325):** While overall spending decreased, spending is included which

reflects the opening, in 2004, of the Highland Golf Course driving range.

**Parks and Recreation Special Recreation (Fund #391):** Spending increases by \$851,052. This is primarily due to shifting functions that were budgeted in other funds to this fund, so the budget reflects the department's reorganization into recreation service areas.

**Municipal Athletic Associations (Fund #394):** The City Council added \$241,000 for the Star of the North Summer Games.

**Police Services (Fund #400):** This fund was created to track the receipt and use of the Police PERA pension assets returned to the City under 1999 State legislation. The 2004 budget reflects year five of a ten-year plan. Costs associated with direct police services, including the compensation for police officers, are planned for in the 2004 budget.

**Police Impounding Lot (Fund #435):** This fund tracks the fiscal experience related to the towing and reclaiming of all towed or abandoned vehicles left on city streets. Some vehicles are sold at an auction and some are reclaimed by their owners once the owner pays the appropriate fine.

**Police Special Projects (Fund #436):** This fund increased by about \$600,000 from the 2003 budget, mostly due to proposed changes to the pawn shop and false alarm fees, providing professional peace officer education for the metropolitan area, and providing training to specific audiences to meet the gun-permit carry legislation. The Federal Local Law Enforcement Block Grant (LLEBG) is expected to continue for another cycle into 2004. Over \$1.4 million of police services will be invested in the City's schools.

**Firefighting Equipment Trust (Fund #535):** The 2004 budget maintains the funding level of 2003. The department's equipment replacement plan typically shows the replacement of one major piece of equipment every other year.

## Special Fund Budgets

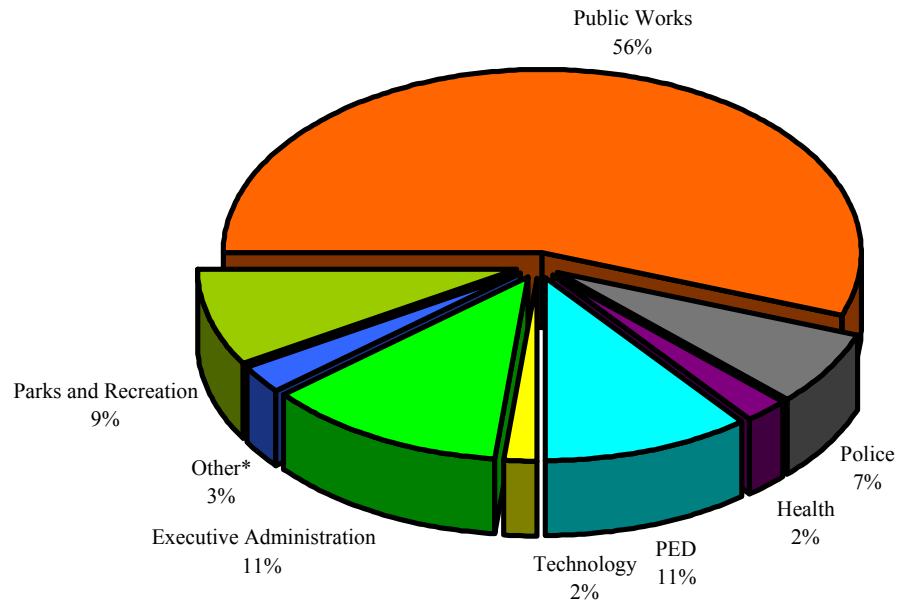
Special Fund Spending (By Department)			
Department	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Attorney	794,986	794,553	909,746
Citizen Services	575,677	958,572	0
Council	88,897	65,434	65,161
Financial Services Office (a, b)	13,847,807	12,344,175	13,149,806
Fire and Safety Services	3,238,331	3,060,207	3,088,467
General Government Accounts	129,322	0	0
StP-RC Health	4,114,552	4,207,390	4,170,953
Human Rights	68,371	47,809	47,614
Libraries (c)	1,791,018	1,241,561	0
License, Inspection, and Environmental Protection	8,994,389	9,626,162	10,002,816
Mayor's Office	37,995	20,000	369,855
Neighborhood Housing & Property Improvement	0	0	748,377
Parks and Recreation	12,599,567	15,879,050	16,623,377
Planning and Economic Development (b)	24,682,633	21,017,592	20,573,707
Police	10,029,297	12,254,634	12,931,208
Public Works (d)	82,006,442	107,130,911	108,030,868
Office of Technology (a,d)	<u>4,927,419</u>	<u>5,484,087</u>	<u>3,591,886</u>
Total	167,926,703	194,132,137	194,303,841

Special fund budgets are designed to track revenues and expenditures for specific designated purposes. With some exceptions, special fund budgets are not supported by property taxes. Rather, special fund spending is supported by user fees, assessments, and grants, which are generally restricted in some way. The restrictions require accounting in separate funds. Saint Paul has 52 special funds, including operating funds, project funds, debt service funds, and trust funds.

- (a) Contract and Analysis Services moved from Office of Technology to Financial Services for 2004.
- (b) RiverPrint moved from Planning and Economic Development to Financial Services.
- (c) Saint Paul Libraries becomes their own agency (The Public Library Agency) effective in 2004 and will no longer be a part of the City of Saint Paul's budget.
- (d) Real Estate moved from Office of Technology to Public Works for 2004.

# Special Fund Budgets

## 2004 Adopted Budget



\* Other includes City Attorney, City Council, Neighborhood Housing and Property Improvement, and Fire

## Special Fund Budgets

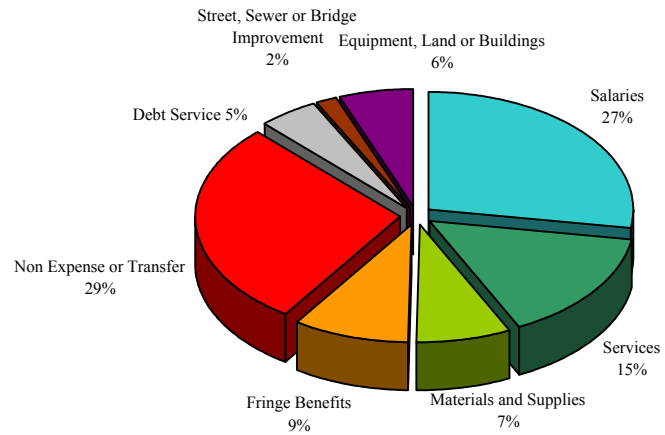
Special Fund Spending (By Major Object)			
Object	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Salaries	45,547,688	53,196,865	53,412,901
Services	24,456,632	26,730,598	29,802,741
Materials and Supplies	12,728,814	15,872,147	14,559,429
Fringe Benefits	14,961,520	16,605,666	17,625,420
Transfers and Miscellaneous	55,700,762	62,300,051	55,045,773
Debt Service	9,998,949	9,627,129	9,300,282
Street, Sewer or Bridge Improvement	476,198	3,146,958	3,400,996
Capital Outlay	4,056,140	6,652,723	11,156,299
Total	167,926,703	194,132,137	194,303,841

Special Fund Financing (Revenue By Source)			
Source	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Use of Fund Balance		19,354,382	12,176,841
Transfers	9,568,398	8,687,691	7,420,193
Hotel and Motel Taxes	1,771,214	1,840,600	1,616,915
License and Permits	8,617,310	9,555,404	9,981,680
Intergovernmental Revenue	14,383,247	27,455,331	22,689,558
Fees, Sales and Services	89,833,701	93,094,448	100,724,218
Enterprise and Franchise Revenue	1,713,212	9,564,746	10,685,405
Assessments and Other Revenue Sources	39,095,658	24,579,535	29,009,031
Total	164,982,740	194,132,137	194,303,841

The difference between 2002 spending and financing may be due to use of/contribution to fund balance or accounting reporting requirements. The city is required to report actual annual operating performance in accordance with financial accounting principles. Accounting treatments can cause differences between budget and actual. The following are examples of items that may be treated differently, particularly for proprietary funds: capital project construction, equipment purchases, depreciation and principal payments on debt. Furthermore, the “financing” used to support specific spending or programs may be cash reserves or contributions and not actual revenues of that year.

## Special Fund Budgets

### 2004 Spending By Major Object



### 2004 Revenue By Source

